

BOARD OF DIRECTORS REGULAR MEETING
Thursday, June 20, 2024 at 10:00 a.m.
Meeting was Conducted in Person at Peacock Hall and on Zoom
1001 Golden Rain Road, Walnut Creek, CA 94595

MINUTES

1. **CALL TO ORDER** - President Shlevin called the meeting to order at 10:05 a.m.
2. **ROLL CALL**
 - a. Present: President Loran Shlevin, Vice President Jeanne Steidel, Treasurer Marv Ryken, and on Zoom Director Dan Davis.
 - b. Absent: Secretary Susan Davis
 - c. Mutual Operations Staff: Mutual Operations Director Jeroen Wright, Chief Financial Officer Todd Arterburn, Building Maintenance Manager Eric Howard, Landscape Manager John Tawaststjerna, Interim Board Services Coordinator Lisa Kam, and Board Services Coordinator Victoria Thomas
4. **REPORTS** – President Shlevin moved the President’s Report to the top of the agenda. No motion was made to amend the agenda.
 - a. President – President Shlevin reported on the GRF master insurance policy. SWCM paid approximately \$5M towards the 2024 GRF master insurance policy that includes: property, commercial, and liability. This was a tradeoff between what SWCM could afford and the amount of coverage that could be obtained. Due to the global insurance crisis coverage, the 2024 insurance premium covered only a 43% replacement value. Consequently, all Mutuals lost the warranties from Freddie Mae and Fannie Mac and mortgages and refinancing is no longer available. At the Townhall meeting on insurance, the GRF insurance agent, Gallagher, informed the membership that there will be another insurance premium increase in 2025 but not as much as the approximately 50% for 2024 and 100% for 2023. The SWCM Board decided to research the insurance market to see if there were less expensive and/or better coverage options for 2025. They discovered there are better options and signed a letter of intent with a new broker for 2025. The problem with the letter of intent is that Gallagher was starting to negotiate GRF 2025 insurance coverage starting July 1, 2024 and if SWCM had an exclusive contract with a different insurance broker then SWCM would not be included in the 2025 GRF master insurance policy and would not be allowed to participate in the GRF master insurance policy in the future. The SWCM Board quickly cancelled the letter of intent with the new broker on 6/14/2024 so that SWCM remains with the GRF Master insurance policy for 2025 brokered between GRF and Gallagher of which SWCM is an additional named insured.

Shlevin stated that the Rossmoor News posted a SWCM member article after the problem had been solved with an editorial comment that led SWCM members to believe that the problem still existed for 2025 and had not been solved.

SECOND WALNUT CREEK MUTUAL

5. CONSENT CALENDAR

- a. A motion made by President Shlevin and seconded by Director Ryken to approve the minutes of the May 17, 2024 Board of Directors Executive Session Meeting minutes. It was approved by unanimous vote.
- b. A motion made by President Shlevin and seconded by Director Ryken to amend and approve the minutes of the June 17, 2024 Board of Directors Executive Session Meeting minutes. It was approved by unanimous vote.

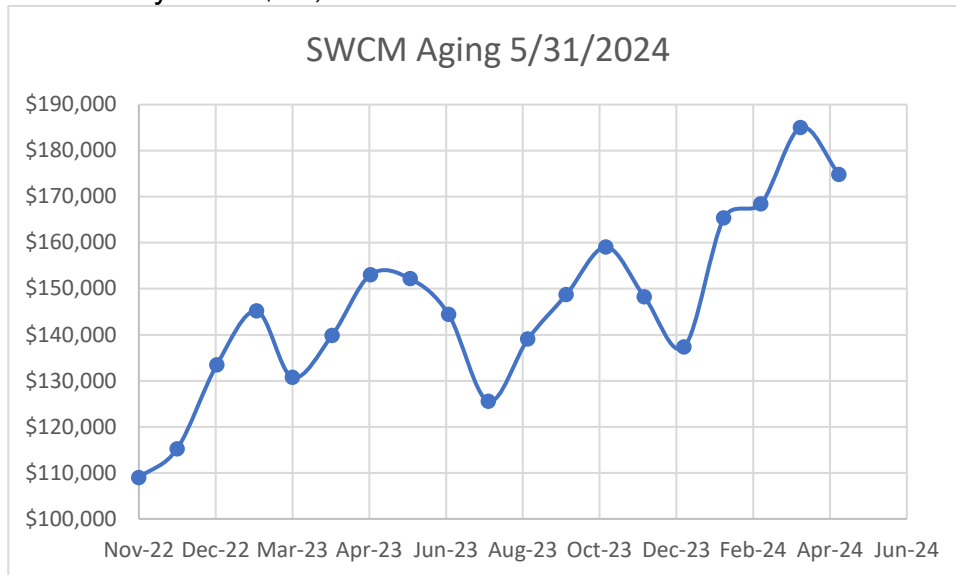
6. REPORTS (CONTINUED)

- a. Treasurer’s Report - Director Ryken provided the following data from the May 31, 2024 Financial Report:

5/31/2024 Report	Operating	Prop Tax	Reserve	Total
Month Income	\$1,337 k	\$578 k	\$286 k	\$2,201 k
Budget income	\$1,331 k	k	\$277 k	k
Month Expense	\$1,337 k	\$477 k	\$264 k	\$2,078 k
Budget Expense	\$1,296 k	k	\$321 k	k
Month Difference	\$0 k	\$101 k	\$22 k	\$123 k
Beginning Balance	\$2,055 k	\$0 k	\$5,272 k	\$4,110 k
Ending Balance	\$2,526 k	\$0 k	\$5,325 k	\$7,851 k

5/31/2024 Report	March	Budget	Diff.	YTD	YTD Budget	Diff
MOD Mgt. Fees	\$97,842	\$94,716	-\$3,126	\$489,211	\$473,580	-\$15,631

The operating fund is acceptable since it is approximately two times the monthly expense. The MOD management fee continues to be \$3,126 per month over budget for a total deficit for the year of \$15,631.



SWCM Aging Report 5/31/2024 has a total of \$174,763.20 down \$10,234.70 from April 2023. A major decision by the Board this past week regarding the recovery of \$47,902 should occur in the near future. My first priority as treasurer is to reduce the delinquencies and we are making progress.

SECOND WALNUT CREEK MUTUAL

The Aged Receivable Report as of 05/31/2024 still has negative amounts listed (money owed to members?) and the 1217 Running Springs Fire amount of -\$99,200.47 so that a real value of the Aged Receivables cannot be easily reported. This problem has been noted every month and nothing has been done about this situation.

The following are charges of interest on May 31, 2024 financial report:

Manor Lube time: \$11,430 other: \$11,948 total:	\$23,377.93
Fire alarm replacement	\$536.83
Light bult replacement & Repair	\$2,931.82
Total setup fees for April	\$6,963.70

The total attorney charges through May 31, 2024 is \$43,646 but it is speculated that with items billable to members, the resulting total is \$25, 599. This is less than the budgeted value of \$31,575.

	ATTORNEY CHARGES THROUGH MAY 2024										
	General	1	2	3	4	5	6	7	Total	Budget	
January 31, 2024	\$1,274.00										
February 29, 2024	\$4,292.25		\$4,013.25				\$2,936.25	\$2,968.25			
March 31, 2024	\$5,733.00										
April 30,2024	\$7,688.00				\$50.00						
May 31, 2021	\$1,862.00	\$294.00	\$392.00	\$1,804.00	\$2,058.00	\$8,281.00					
Totals	\$20,899	\$294	\$4,405	\$1,804	\$2,058	\$8,281	\$2,936	\$2,968	\$43,646	\$31,575	
Totals, speculation	\$25,599								\$25,599	\$31,575	
		amounts billable to members									
		amounts goes to general									

- b. CFO - Todd Arterburn reported transfer to collection agency process has improved. The Mutual has a healthy budget and is financially in good shape.
 - 1) Motion made by President Shlevin, seconded by Director Steidel, to approve the Independent Accountant’s Review Report Financial Statements and Supplemental Information – December 31, 2022. Approved by unanimous vote.
 - 2) Motion made by President Shlevin, seconded by Director Ryken, to approve Letter of Representation. Approved by unanimous vote.
 - 3) Motion made by President Shlevin, seconded by Director Dan Davis, to approve 2023 Engagement Letter to Porter & Lasiewicz. Approved by unanimous vote.
- c. Mutual Operations – Jeroen Wright reported that Staff and the Board will begin preparing the budget soon.

Firewise Program had a successful Townhall meeting on June 10th at the Event Center. Walnut Creek Police and Contra Costa County Fire were in attendance and gave a presentation on emergency evacuation. The Firewise Townhall presentation can be found on Rossmoor YouTube Channel.

- d. Building Maintenance - Eric Howard presented the following:
 - 1) Building Rehab – Carpentry crew are currently working on E3 Singingwood and painters are on E2 Singingwood.
 - 2) May Replacements – Water heater replacements for April were \$11,717 and zero for other appliance replacements.

SECOND WALNUT CREEK MUTUAL

- 3) Water-cooled A/C Conversions – Currently working on 1132 Running Springs and have completed 252 conversions as of June 7, 2024.
- 4) V-Ditch Repairs – Working on 1137 Stanley Dollar and have completed the one at 1309 Stanley Dollar.
- 5) Building Movement – Completed floor level survey of 1300 Canyonwood and found some floors to be out of level as much as 7 inches. Soil samples have been taken from E3 and a report is being prepared.
- 6) Paving – Repaving has been completed on Leisure Lane E6, E7, E10, and E11. Repaving on Tice Creek E12B was started but due to soft soil conditions, a change order will be necessary.
- 7) Foundation Repairs – Currently in the process of preparing documents to file permits with the City of Walnut Creek.
- 8) Manor Lube – The annual inspections have begun and a door hanger will be left on your door if you are not at home.
- 9) Proposals
 - a) A motion was made by President Shlevin and seconded by Director Davis to accept and pay from the reserve fund the Tice Creek E12B paving change order proposal. It was approved by a unanimous vote.
 - b) A motion was made by President Shlevin and seconded by Director Ryken to accept and pay from the reserve fund the repaving of SWCM's portion of Tice Creek Entry A. It was approved by a unanimous vote.
 - c) A motion was made by President Shlevin and seconded by Director Steidel to accept the proposal to replace 75 feet of underground drainage that has become overgrown with roots. It was approved by a unanimous vote.
- e. Landscape - John Tawaststjerna presented the following:
 - 1) Plant Replacements – Dead plant replacement requests are due by 8/15/2024 and should be sent to plantreplacement@rossmoor.com.
 - 2) Maintenance – Terra has completed fire abatement with removal of dead or dying plants and turf fertilization is underway.
 - 3) Rehab Projects – Phase II mulching is underway, Singingwood, Canyonwood, and Ptarmigan.
 - 4) Tree Maintenance – Tree pruning has been completed for Tice Creek E6 through E17 and the schedule for June is Tice Creek Entries D and E and Fairlawn E2, E4, and E6.
- f. Water Conservation Committee - Therese Welter, Co-chairperson, gave the following report on total water usage and between April 16 to May 17, 2024: The 11 water meters showed a 10% increase in usage in this one-month period compared to the same month in 2023. A significant decrease of 13% for 2 meters due to the A/C conversions but 4 meters had a 35% increase. This has been reported to MOD for investigation for possible leaks. Five meters had an increase of 15 to 20% and this is probably due to increased lawn irrigation. Fortunately, the year-to-date usage shows a 3% decrease in usage but with a cost increase of 2% that is due to the 8% increase in water rates. To put this in perspective, we spent \$1.2 million on water. Comparing the year-to-date usage 2024 to 2022, we have reduced our usage by 26% so we have done good so continue to conserve water usage and check your toilets. We have water usage in the wee hours of the morning and this is mostly due to leaks.

SECOND WALNUT CREEK MUTUAL

9. UNFINISHED BUSINESS

a. Real Estate Report – Linda Stephens

SALES INFO 2023/2024 - YEAR OVER YEAR 1/1 - 6/18/24												
	2023 ALL	2024 ALL	Change	2023 MUT 2	2024 MUT 2	Change	2023 ALL CO-OPs	2024 ALL CO-OPS	Change	2023 ALL CONDOS	2024 ALL CONDOS	Change
1/1 - 6/18 Sold	206	153	-26%	34	25	-26%	90	73	-19%	116	80	-31%
Average Original Price	\$699,647	\$741,556	6%	\$549,517	\$493,412	-10%	\$543,765	\$505,787	-7%	\$820,590	\$953,748	16%
Average Price Sold	\$707,409	\$759,118	7%	\$539,027	\$482,452	-10%	\$540,582	\$489,739	-9%	\$836,843	\$1,004,926	20%
Percentage of Original Price	100%	100%		98%	97%		99%	96%		101%	103%	
Average Days on Market	25	21	-16%	31	19	-39%	26	25	-4%	24	17	-29%

CURRENT INVENTORY - 6/18/24			
	ALL	CO-OP	CONDO
CURRENT INVENTORY	83	61	22
Average List Price	\$535,315	\$457,593	\$750,818
Average DOM	52	51	55
Min DOM	0	0	0
Max DOM	184	184	159

2023
ALL SALES
490
\$690,930
26
0
159

Year over year, during the same time period Jan through June, sales are down 26% on average.

Year over year, during the same time period Jan through June, on average, Mutual 2 sales are down 26%, list price is down 10%, and sales price is also down 10%.

Year over year, during the same time period Jan through June, on average, all co-op sales are down 19%, list price is down 7%, and sales price is also down 9%.

Excess inventory in co-ops is driving the prices down.

Year over year, during the same time period Jan through June, on average, all condo sales are down 31%, list price is up 16%, and sales price is also up 20%.

Lack of inventory in condos is driving the prices up.

Average days on market for sold homes is down, however average days on market for all units is double 2023, from 26 to 52. This is due to excess inventory sitting.

- b. Website Updates – Director Dan Davis gave a presentation on the website being created for SWCM. Members can contact Davis if they have questions about the website.

10. MEMBERS' FORUM

- Concern for ECHO education for Board's leadership.
- Jeroen Wright was thanked for his efforts for the Firewise Townhall.
- Requested Mutual insurance information be posted on webpage.
- Insurance should have been put out to bid and not automatically changed.
- Shlevin was thanked for her efforts on researching insurance, staff, and Committees.

11. ANNOUNCEMENTS – The next scheduled meeting is the Board of Directors Regular Meeting will be held on July 18, 2024 at 10:00 a.m. in the Peacock Room at the Gateway Clubhouse as well as on Zoom.

12. ADJOURNMENT – The President adjourned the meeting at 11:50 a.m.